



A DIVISION OF NORTHERN ECLIPSE, LLC



FAIRBANKS NATURAL GAS, LLC

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April 2, 2004

via: email

State of Alaska
Department of Natural Resources
550 West 7th Avenue
Suite 1400
Anchorage, Alaska 99501

Attention: Commissioner Tom Irwin

Subject: Invitation to Submit Expressions of Interest – Cook Inlet Royalty In Kind Gas

Dear Commissioner:

Thank you, for the opportunity to provide comments on the potential sale of Cook Inlet State Gas. Currently, Northern Eclipse / Fairbanks Natural Gas provides natural gas service to over 570 residential and commercial customers in the Fairbanks North Star Borough.

Northern Eclipse purchases and processes Cook Inlet gas into LNG at Point McKenzie and ships it to Fairbanks via truck. We strongly encourage the State of Alaska to make its gas available to In-State users to ensure Alaskans have continued access to this economical, environmentally friendly energy source. Northern Eclipse would be very interested in a long-term gas supply agreement with the State of Alaska,

Your solicitation for comments requested the advantages or disadvantages to the public. The advantages of natural gas are many; first, natural gas historically offers residential and commercial users a significant price advantage to alternate energy sources. Please Note: The fuel oil utilized in Fairbanks is produced from State Royalty Oil. The second major advantage to ensuring a continued natural gas supply to Fairbanks is it benefits to our local air quality. Temperature inversions in the Tanana Valley have caused Fairbanks to exceed Federal Air Quality requirements in the past, and areas of Fairbanks are now considered a non-attainment area. Each new use of natural gas reduces the emissions and improves the overall air quality.

Long-term gas supply is a key ingredient in the continued success of Fairbanks Natural Gas.

Please feel free to call me for any further information or clarification.

Respectfully Submitted:

Daniel W. Britton
President